

April 14, 2004

Dennis Smith, Director
Center for Medicaid and State Operations
7500 Security Boulevard, South Building
Baltimore, MD 21244

Dear Mr. Smith:

The Utah Department of Health is requesting an amendment to our Primary Care Network 1115 waiver, approved February 9, 2002, and our subsequent Covered at Work amendment which was approved August 01, 2003.

We are proposing to amend section 3.7.1 of the Primary Care Network Operational Protocol to reduce the annual enrollment fee from \$50 to \$25 for individuals and legally married couples with countable income less than 50% of the federal poverty guidelines. This amendment will take effect July 01, 2004.

With this amendment we are attempting to lower a barrier for lower-income individuals to participate in the Primary Care Network and Covered at Work Programs. The Utah state legislature enacted legislation, HB 86, during its 2004 session that initiated this amendment.

This amendment will not impact any Primary Care Network Program expenditures which are subject to the budget neutrality cap. Implementation of this waiver will impact the administrative component of the budget as follows:

Number of individuals affected	5,200 per year
Fees collected at \$50 (5,200 x \$50)	\$260,000 per year
Fees collected at \$25 (5,200 x \$25)	\$130,000 per year
Total yearly impact	\$130,000

Enrollment fees are part of our administrative budget of which we receive 50% FFP. Therefore, implementation of the waiver would cost approximately \$65,000 in state funds per year with the federal share being \$65,000 per year.

Enclosed are the proposed amended section of the operational protocol and a copy of HB 86.

Thank you for considering this request.

Sincerely,

Michael Hales, Director
Primary Care Network Program

Cc: Sharon Donovan, Project Officer
Mary Marchioni, Region VIII
Dr. Scott D. Williams, Executive Director